

DEPARTMENT OF HEALTH SERVICES

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CMSP Letter No.: 98-13
Issue Date: December 9, 1998

TO: All County Medical Services Program Welfare Directors

SUBJECT: TREATMENT OF CALWORKS RESTRICTED ACCOUNTS FOR
COUNTY MEDICAL SERVICES PROGRAM (CMSP) ELIGIBILITY
DETERMINATIONS

Ref. Medi-Cal All County Welfare Directors Letter (ACWDL) 98-38

The purpose of this letter is to clarify the position of the County Medical Services Program (CMSP) in regard to the treatment of restricted accounts established under the CalWORKS program. On September 4, 1998, the Medi-Cal Eligibility Branch issued ACWDL 98-38, *Restricted Accounts of CalWORKS or Former CalWORKS Recipients*. The Medi-Cal letter stated, effective January 1, 1998, CalWORKS recipients are allowed to establish certain accounts up to \$5,000 which are exempt from being included in the property reserves. The Federal Balanced Budget Act of 1997 stated that these accounts "shall not be considered in establishing eligibility for any other program under federal law" as long as there is at least one person remaining, "who would be an (sic) Medi-Cal Family Budget Unit (MFBU) member but for the receipt of CalWORKS".

On December 4, 1998, the CMSP Governing Board agreed to also exempt these restricted accounts. While CMSP is not funded by any federal monies and would not technically fall under this exemption requirement, these CalWORKS restricted accounts will also be exempt under the CMSP.

However, the following conditions must be met in order for these accounts to be exempt:

- The account **was established** by the individual **while on CalWORKS**.
- The account is maintained in a financial institution and is **not commingled** with other funds.
- At least one individual is **still receiving CalWORKS** benefits.
- The restricted account was established for the purpose of purchasing a home, to start a business, or to apply toward future education or job training expenses.
- The account **cannot** be established by an applicant or beneficiary of Medi-Cal or CMSP.

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It is possible that an adult may not be eligible for Medi-Cal and thus eligible for CMSP after being on CalWORKS with one of these restricted accounts. In this situation, the restricted account will remain exempt until all of the children are no longer receiving CalWORKS benefits and the CalWORKS case is closed.

It is unlikely that many former CalWORKS adults will become CMSP eligible, as they will normally be eligible for Medi-Cal under the 1931(b) group. The 1931(b) group was created by Public Law 104-193 which requires mandatory Medi-Cal coverage to those persons who would have met the July 16, 1996, AFDC State Plan requirements for income, resources and deprivation. "1931(b)" is the section of the Social Security Act that was changed by Public Law 104-193 to require mandatory Medi-Cal coverage.

If you have any questions or comments concerning this item, please direct them to Mr. Gary Varner, of the CMSP unit, at (916) 322-1613.

A handwritten signature in cursive script, reading "Linda McFarland".

Linda McFarland, Chief

County Medical Services Program Unit